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NOTES OF THE WEEK.

SPEAKING at the Manufacturers' banquet in New York two weeks ago, pledging the Administration to the policy of reforming the currency system as the money lenders may direct and recognizing the difficulties in the way, Mr. McKinley gave expression to this sentiment: Better to make the attempt and fail than to make no attempt at all. So, despite the seemingly insurmountable obstacle of a Senate hostile to the financial policy espoused by the Administration, Mr. McKinley promised, with great explicitness, that the effort should be made to surmount this obstacle, to pass through Congress at this session a monetary bill framed with a view of more firmly fastening our monetary system to the gold standard, that the Republican party would be derelict in its duty, false to its pledges if it did not make an earnest attempt to pass such legislation, that controlling the House it should put through the House a comprehensive plan for remodelling our monetary system on lines acceptable to the moneyed interests even though such plan should be predestined to defeat in the Senate beyond a doubt.

In this lofty vein, ever voicing the idea that the Republican party would go where duty called, that it would do its part toward remodelling our currency system and carrying out the pledges of the last campaign regardless of what others might do, spoke Mr. McKinley. But this sentiment, this expressed purpose of the President, does not seem to have met with hearty response in the House. Thus we have Congressman Cannon of Illinois and Chairman of the Appropriation Committee declaring after the voting down of the Teller-Matthews resolution in the House that "there will be no more financial debate because the condition that exists will not permit of it," because the Senate would never pass a currency bill acceptable to the House, and that therefore for the House to pass such a bill would be futile and a sheer waste of time. So, though President McKinley urged the formulating of a monetary plan and the putting of such plan through the House that such plan might serve as a beacon light for the Republican party in the coming Congressional campaign even though the Senate turned it down, though the President urged the Republican party to this work the Republicans in Congress seem little disposed to respond. They hesitate to undertake the formulating of a comprehensive currency plan that would serve as a financial beacon during the campaign for the reason that there is much variance of opinion as to what color this beacon light should be.

THE wide variance of opinion of the Republicans over financial policy crops out sharply in the House Committee on Banking and Currency, and there is much disinclination to transfer this subject and such accompanying variances of opinion to the broader theatre of the House. In the committee the Republicans can fight out their quarrels in private and they do not want to expose their internecine quarrels to the public view. So the House Committee on Banking and Currency seems disinclined to bring any general monetary plan before the House. The Republican members of that committee who have been holding private meetings in the hope of arriving at some common understanding, find it impossible to agree. Thus upon one of the most important questions that must come up in any general remodelling of our currency system, namely, that of greenback retirement, the Republican members of the committee have voted 6 to 5 in favor of retirement, one Republican member of the committee not being recorded on this vote.

Thus the committee stands almost equally divided on the

greenback question. When it comes to extending the powers of the banks the Republicans of the committee are much more in accord. Thus it is reported they voted nine to two in favor of permitting the banks to issue credit currency without special security and to some undetermined amount, nine voting for a currency based on bank wind to two against. So it appears there is considerable unanimity as to the advisability of taking steps in the direction of the creation of a banking monopoly, in the direction of surrendering to the banks, and through them to the speculative cliques, the sovereign power to regulate the volume and thereby the value of money.

But when we turn back to the question of greenback retirement we find much uncertainty, political considerations seemingly weighing very much with the members of the committee, indeed overweighing financial considerations to all appearances, for the man who is ready to vote for steps in the direction of the creation of a banking monopoly should logically vote for greenback retirement. But there is a popular sentiment in favor of the greenbacks that makes Republican politicians very chary of demanding their retirement, and so it is that we see the committee almost equally divided on this question while in favor of increasing the issues of banks and so laying steps for the creation of a bank monopoly by a large majority.

THUS the differences among the Republican members of the House Committee on Banking and Currency are great and seemingly irreconcilable. So the majority members of this committee, despairing of ever agreeing upon a comprehensive monetary plan, yet feeling that they must report something to show for their labors, have apparently resolved to fall back on three simple propositions recommended by the President in his annual message. This question of formulating a comprehensive plan for remodelling our currency system was before the similar Democratic Committee of the Fifty-third Congress upon which Mr. Cleveland, Mr. Carlisle and the banking classes urged with great vigor plans of the same general scope and meaning. And so did the Republican House Committee on Banking and Currency of the Fifty-fourth Congress strive to evolve a general plan for the remodelling of our currency system as the same committee of the Fifty-fifth Congress now strives. Yet during three Congresses nothing of importance has been evolved from these committees the members of which have not been able to find common ground. Indeed, the labors of the Banking and Currency Committee in the last two Congresses were barren and the labors of the present committee seemed also destined to be fruitless should it keep down doggedly to the work of building a complete new system. But evidently fearing this the present committee has resolved to have at least a mole hill to show for its labors, if nothing more. And so the resolution, practically taken by the Republican members of this committee, to report a bill to the House embodying the three principal financial recommendations of the President's message, namely, provision to lock up in the Treasury greenbacks and treasury notes redeemed in gold until such time as they may be reissued in exchange for gold and practically as gold certificates; second, authority to the national banks to issue currency up to the par value of bonds deposited as security instead of only 90 per cent. as now, and third, reduction of the tax of 1 per cent. per annum now imposed on circulation to one half of one per cent.

OF COURSE the locking up of greenbacks, etc., in the Treasury when once redeemed in gold until such time as gold might be offered in exchange, amounts to a covert retirement of our greenback currency. It offers a convenient course for those who believe in greenback retirement, but who fear to antagonize the popular sentiment so strongly favorable to the greenback. It would be an indirect but effectual means of taking our greenbacks out of circulation.

The second and third propositions are suggested with a view to encouraging the issue of bank currency so that the three propositions together would work to the end of forcing a substitution of bank paper for national currency. Indeed, the increased issues of bank currency which would be stimulated would force the national currency into the Treasury for redemption and to get the gold for such redemptions the government would have to issue bonds just as bonds were issued for gold under the Administration of Mr. Cleveland. So indirectly we would have the substitution of bank paper for national currency and the conversion of the redeemed national currency into interest bearing bonds.

That permission to the national banks to issue currency up to the full face value of bonds deposited with the Treasurer of the United States as security for circulation and reduction of the tax on circulation to one-half of one per cent. would lead to increased issues of bank currency is certain, for such changes in the national bank act would make it profitable for all banks to take out circulation. And the taking out of this circulation would force the presentation of national currency to the Treasury for redemption for this reason: Such increase of bank currency would tend to raise prices, encourage imports and thus set in operation a demand for gold for export in order to pay for such increased importations of merchandise. And men would naturally get this gold in the easiest way, which would be the presentation of greenbacks and treasury notes at the New York subtreasury for redemption in gold. So it is that an increase in the issue of bank currency would force national currency into the Treasury for redemption.

THE national banks do not now take out as much currency as they could, for the reason that the stimulus to the taking out of such currency, namely, profit, is entirely wanting to some banks. Indeed, it is only those banks in localities where interest rates are low that can profit by taking out currency. This is because the banks must lock up $100,000 in government bonds in order to get $75,000 of currency. And the bonds thus locked up yield but 1½ per cent. interest on the investment. Thus to gain 1½ per cent. interest on $100,000 invested in government bonds the banks must forego the gain from loaning $25,000 of their capital. And if this $25,000 could be loaned at 8 per cent., it is clear that there would be greater profit in so loaning it than in locking it up so that 1½ per cent. interest might be earned on $100,000 invested in government bonds. If this $25,000 that would have to be locked up to get national currency could be loaned at only 4 per cent., then it would be more profitable to take out circulation and forego the 4 per cent. interest on the $25,000 for the 1½ per cent. on $100,000 invested in government bonds.

Thus remarks Mr. Walker, Chairman of the House Committee on Banking and Currency: "In 4 per cent. localities the banks can make by taking out circulation only ½ of 1 per cent.; in 6 per cent. localities they would lose ½ of 1 per cent.," and so he adds: "Currency cannot be kept in circulation in rural communities to any considerable amount."

THE why and wherefore of this will be made clear by the following examples: Let us take a bank with a capital of $100,000 in a 4 per cent. locality and in an 8 per cent. locality. They cannot keep an average of more than 80 per cent. of this capital loaned out. So if they loan this capital out directly, the bank in a 4 per cent. locality would earn $3,200 on its capital, the bank in an 8 per cent. locality $6,400. Now suppose they put this capital in United States bonds and take out circulation. The 4 per cent. bonds of the United States due in 1907 sell at a premium of 13 per cent. So $100,000 will buy but $88,500 of these bonds. On these bonds the interest will be $3,540, but as the premium of 13 per cent. which must be paid for them will all

disappear within nine years, as the bonds worth $100,000 to-day will be worth but $88,500 in 1907, the banks must charge off on account of these bonds $1,278 a year. So the net interest yield of these bonds to the bank is reduced to $2,262, or a little over 2¼ per cent.

Now, currency can only be issued on these bonds up to 90 per cent. of their face value, or to $79,650 all told. And as a redemption fund equal to 5 per cent. of circulation outstanding must be kept in Washington, it is impossible for a bank with a capital of $100,000 to keep more than $75,000 of currency in circulation and on this it must pay a tax of 1 per cent., or $750 per annum. Deduct this tax from the net interest on the bonds and all that the money invested in the bonds will yield will be $1,512. Now, of the $75,000 circulation which it would be possible for a bank with a hundred thousand capital to take out, not more than 80 per cent., or an average of $60,000, could be kept loaned out. If this could be loaned at 4 per cent. it would earn $2,400, which added to the income derived from the bonds, less the tax on circulation, of $1,512 would be $3,912, while if the capital was loaned out directly, the income from capital would be but $3,200. So we see the bank in the 4 per cent. locality would earn $712 more on its capital by taking out circulation than by not taking it out. But in the 8 per cent. locality the picture would be reversed for loaning out 80 per cent. of its capital directly, which is as much as could, on the average, be kept loaned out, it would earn $6,400 on its capital. If it took out circulation, $60,000 of which it could keep loaned, it would earn $4,800 on such circulation, $1,512 on its bonds less tax or circulation, or a total of $6,312. So that the bank would be $88 worse off than if it did not take out circulation.

IT CAN readily be seen from the foregoing how the taking out of circulation would be encouraged if the tax was reduced to ½ of 1 per cent. and the banks allowed to issue notes up to the par value of the bonds. But such increase of bank currency leading to gold exports and contraction of our national currency, would not lead to any general expansion. In short, the suggested changes in our national bank act with a view to encouraging the issue of bank notes would strengthen the banks, weaken the power of the government over our measure of value through the control of the volume of currency, a power now dormant but which might spring into great activity under the banks, and confer no benefit upon our people.

The foregoing exhibits of the profits that a bank may make from the use of its own capital, make it quite clear that the banks could not and do not live on the income derived from the loaning of their capital. Thus we have seen that in a 4 per cent. locality a bank with a capital of $100,000 could earn by investing such capital in United States bonds, taking out circulation and loaning the bank notes so received, but $3,912 a year. And such a sum would not cover the expenses of a bank of such size. When interest rates are as high as 8 per cent. the bank could, of course, earn more off the loaning of its own capital, earn as much as $6,400 a year. But even such sum would barely cover the expenses of such a bank and leave nothing for dividends. So what is it that the banks live on? In a word they live on their deposits. Thus a bank with a capital of $100,000 will have an average run of deposits of about $300,000. And of these deposits it will loan 75 per cent. or say $225,000 keeping 25 per cent. as a reserve. And loaned at 4 per cent. such loans will earn $9,000 a year to be added into the profits of the bank. If such deposits can be loaned at 8 per cent. the interest collected upon them will be $18,000 a year which, however, cannot all be added to the profits of the bank, for when money loans at 8 per cent. the probability is that the bank will be paying 2 or 3 per cent. interest upon deposits.

NOW IT must not be assumed that the deposits that appear on the books of a bank represent in entirety deposits of cash. Quite to the contrary, the larger part represent credits granted by the banks, notes discounted for customers and the proceeds of which are put to their credit on the books of the bank, and counted just as deposits of cash. In this way, by opening credits on their books, the banks will make loans to three or four times the amount of cash they hold. Yet all the credits the banks thus grant they are under obligation to pay in cash on sight. This the banks obligate themselves to do. Of course it is obligating themselves to do what could not be done and that they know could not be done if called upon. They undertake these obligations on the assumption that they will not be called upon to redeem them, on the assumption that when they discount a note and put the proceeds to the credit of their customer they will not have to pay that credit in cash, on the assumption that the man whose note they discounted will draw upon such credit as an ordinary depositor, draw his checks upon it in payment of his bills and that those checks will not be presented for payment in cash but will be deposited by the receivers in bank, put to their credit and charged up against the drawer, and thus the bank effect the payment of the credit granted such drawer by the simple process of offset. Now it may be that those who receive checks drawn against this credit have notes of their own due at an early date at the bank. Then depositing these checks to their credit they will simply pay the bank by drawing against such deposits. Thus will one credit pay another. It is on this theory, the theory that they will be called upon to pay but a small part of their credits in cash that the banks do business, yet they undertake to pay the whole in cash and upon demand if called upon. Of course if so called upon they cannot respond.

It will be a happy day when the banks cease to make promises that they have no intention of fulfilling and when they promise just what they expect to do and can do. When the banks make a distinction between deposits of cash and credits—the Bank of Venice made such distinction,—when they cease to regard credits on their books as cash and cease to undertake the redemption of those credits in cash, a redemption that they do not prepare for and are ordinarily called upon to make to only a limited extent, when they make such credits payable in name as they are in fact, by offset against other credits, that is by a mere series of entries on their books, a mere transfer of a credit on their books, when they undertake to pay in cash only deposits made in cash, then and not before we will have safe banking, a banking system that will not be a breeder of panic in times of storm, a banking system that can always extend assistance to solvent men when assistance is needed. This the banks cannot now do for when storm threatens and their customers need assistance most there falls upon the banks in increasing degree the demand they do not prepare to meet, in short the demand for the redemption of credits in cash and to get this cash, to meet this demand, the banks are constrained to contract, contract just when they should be expanding.

THERE is some one on the editorial staff of the Philadelphia *North American* who is writing red hot gold editorials yet writing heresy, for ruthlessly does he shatter the idols of the gold monometallists, ruthlessly does he trample upon what they have put forth as axioms and yet who seems to have no idea that he is engaged in the iconoclastic work of shattering golden idols. His logic is sound, his premises alone wrong. His arguments put on sound premises would stamp gold as dishonest money, silver as better. He admits that gold has appreciated, that its purchasing power is greater now than it has been at any time during the past half century, excepting only its purchasing power during the last two years, when at times it was considerably higher than now. And then he asserts that "if it be true that the world's stock of gold has about doubled within the easy memory of men, and if despite this increase the value of the metal has appreciated,

it would appear to contravene the supposed law of supply and demand." This is somewhat indefinite, but if within the easy memory of men means a period of not more than twenty-five years it is not true that within such period the world's stock of gold money has doubled. As a matter of fact it has not increased more than 20 per cent. since 1873, but the demand for it has doubled. So we have good reason for the appreciation of gold, and not in contravention but in compliance with the law of supply and demand.

"If," continues this *North American* scribe, "if we refer to the course of the metal after the discovery of gold in California and Australia, we find that that increase of supply did cause a depreciation of the exchange value of the metal. But that was due to the sudden increase of the supply in excess of any commercial demand." And now mark the words, "The increase made more extended enterprises possible. Commerce was extended, and the demand soon overtook the supply, and has crowded the supply from that time to the present."

Here then we have an admission that to increase the supply of money, cheapen it and raise prices is to instill new life into industry, trade and commerce, and what amounts to an admission that commerce is now restricted for want of money.

This *North American* article is finally brought to a conclusion with the assertions that "nowhere in the range of commodities can there be found another that presents so uniform an average of stability as gold," and that therefore it is "the natural standard of exchange value," that "at the utmost extent the exchange value of gold has not fluctuated 6 per cent. in twenty-five years." As a matter of fact it has fluctuated 73 per cent. above its value in 1873, never below since that date. Silver has fluctuated during the last twenty-five years 10 per cent. above its purchasing power in 1873 and 33 per cent. below. These are the extremes, and gold has not therefore as great stability in value as silver.

APPROPRIATION bills have been nominally before the House with little intermission since it so summarily voted down the Teller resolution on Monday a week ago. But though appropriation bills have been before the House, the time of the House has been largely preoccupied by addresses on all kinds of subjects absolutely irrelevant to the appropriation bills supposed to be under discussion, but which addresses have been good naturedly tolerated, for few are the members who do not desire to avail of the full latitude of debate allowed for the delivery of addresses not for the enlightenment of Congress, but for home consumption and use in the forthcoming campaign.

In short, nominally engaged in considering appropriation bills, the members of the House have been engaged in preparation of campaign documents, some of them very able. Yet despite the expenditure of time in this way the House has made very fair progress with the appropriation bills, spending little time over the consideration of the bills and passing them practically as reported by the committees.

THE Senate has kept itself out of sight in a measure by its long executive sessions held over the Hawaiian treaty, executive sessions that are partaking more and more of the nature of a funeral wake, for the defeat of the treaty seems to be certain. When the final funeral oration has been delivered over the treaty in executive session the effort will be made to annex the Hawaiian islands not by treaty but by a general act of Congress, which can be passed by a bare majority in House and Senate and will not require a two-thirds vote in the Senate as the ratification of a treaty And when the treaty is abandoned and an act of Congress being pushed as substitute, it will be in order for Senators to repeat, for the benefit of the public, the addresses they made in executive session for the benefit of themselves, and then we may learn the pros and cons of annexation.

If annexation is finally accomplished we will gain a group of wonderfully fertile islands, capable of great expansion in wealth, capable of supporting and giving profitable employment to a population many times larger than that now on the islands, we will gain a group of islands that are declared by naval officers to be of the first strategic importance for the defense of the Pacific slope. On the other hand, we will get a group of islands peopled by a conglomerate of peoples, whom the few thousand Americans and English on the islands do and will rule, and this rule of an oligarchy we must recognize and uphold. Besides the great expansion in the value of plantations and Hawaiian trade that it is said would follow annexation would go to a few men who have grown rich out of the profits of trade with the islands under reciprocity, men who have used their wealth to despoil other men of their accumulations in California and to whom the American people owe no debt. The objection to annexation on the ground of the conglomerate of peoples inhabiting the islands is answered by the assertion, first, that the native race is doomed to extinction, will in the course of a few generations disappear, and second, that upon annexation Americans would emigrate to the islands in such numbers as to soon reduce the now preponderant proportion of Japanese and Chinese to a small portion as compared to the total population. As to whether this anticipation would or would not be realized, whether Americans would emigrate to labor in the sugar cane fields and in the creation of coffee plantations, that it is said could be created in numbers sufficient to supply America, there is much difference of opinion.

The great objections to annexation are a moral and a commercial one. The first is repugnance to taking a gift of the islands at the hands of a few white men on the islands who it is felt have no right to give, who are offering that which is not theirs to give. The commercial objection is that it would secure the free entry of Hawaiian grown sugar into the United States forever and thus make it impossible to protect our beet sugar industry, now of great promise, from this competition.

Such in brief are some of the reasons for and against annexation. Whether annexation would be wise or unwise, whether it would be desirable or undesirable, the American people can better tell after the question of annexation is publicly discussed in Congress, for they are now in want of much needed light. But one thing ought to be agreed on before annexation and that is what we are going to do with our new territory when we get it, how we are going to govern our new people or how provide for their governing themselves.

THERE are several measures that have appeared prominently before Congress that have been pushed somewhat into the background. The most advanced is the restrictive immigration bill, which passed the Senate and the prospects for which in the House seemed very bright. But recently suggestions have been thrown out that consideration of the bill be postponed until the short session of Congress and after the Congressional elections of this year. The only reason for this is the opposition of certain societies and the fears of certain Congressmen that to vote for the bill would cause them to lose a few votes and perhaps jeopardize their elections.

Another bill passed by the Senate, amended by a House committee out of all semblance to the Senate bill, and that seems to have been lost, is the bankruptcy bill. The putting of this measure to one side is, however, not so much to be regretted, for though the need of a fair bankruptcy act that would enable honest debtors to get a discharge from their debts, start in life anew, secure to them their future earnings, so make it possible for them to accumulate wealth, recoup their fortunes and voluntarily pay their old debts such as they can never pay if kept under constant pressure and prevented from recouping their fortunes—though the need of such a bankruptcy act is great, the possibility of the House and Senate agreeing upon such a bill is slim for certain

leaders in the House seem bent on building a bankruptcy law that will oppress debtors and turn a page backward in bankruptcy legislation, not forward.

The way to help creditors who have suffered through the bankruptcy of a debtor is to help that debtor onto his feet again, provided, of course, that such debtor is honest. This rule was first recognized when imprisonment for debt was abolished, it was recognized when workmen's tools were made non-attachable for debt, when certain amounts of personal property, in some states homesteads, were exempted from attachment for debt. This was all done that the future earning power of the debtor should not be destroyed. But while we leave the earnings of a bankrupt after bankruptcy liable for old debts, we do destroy the earning power of the unfortunate debtor. Without capital no debtor can enter business, gather up old threads and use his enterprise and ability with advantage. In short, without capital he can but hire himself out to some man or corporation. And while the future accumulations of a debtor are subject to attachment on account of old debts the debtor cannot gather capital of his own and enter into business on his own account. So not only to help the debtor, but for the best interests of the creditor, we should secure to an unfortunate debtor his earnings made after his misfortunes and after assignment of his property free from attachment on account of old debts. In other words, give him a release from his old debts.

A THIRD matter that has been pushed into the background is the establishment of a Postal Savings Bank System. At one time the prospects for the establishment of such a system by the present Congress seemed roseate. Now there do not seem to be any prospects at all. And yet no solid argument has been brought up against the measure. It has been urged that the government could not provide for the investment of the savings deposited with the post office banks by the purchase of government bonds and that the Postmaster-General could not safely be trusted to pick out other bonds of states and municipalities—which is to say that the present trustees of saving funds are honester and have more wisdom than any Postmaster-General and than any set of men a Postmaster-General could assemble about him as advisers. Again it is said that our postmasters have not the knowledge to keep such accounts and, moreover, that they have not all been tried and found honest. Such an argument rests on the supposition that the men in our postal service are both lower intellectually and morally than the postal employees of Great Britain who carry on most successfully a postal savings department.

THE railroads are earnestly urging Congress to amend the Interstate Commerce laws so as to legalize pooling or as one of their special pleaders says, "to repeal the section of the present low prohibiting freedom of contract between railways." Now the "freedom of contract between railways" that is prohibited is freedom to enter into contracts with the purpose of oppressing shippers. Freedom to enter into contracts to put an end to competitition, to raise freight rates, to oppress the users of the railroads—it is this sort of contracts the making of which by the railroads has been prohibited.

Our railroads enjoy special privileges, they enjoy the public bounty and they are under certain obligations to our people. Above all they were chartered as common carriers and this requires that they make like charges for like services, give to no man any advantage over his fellows and they must do all business offered at reasonable charges. In short their charges must be reasonable to all men and equal to all men. Now it is urged in advocacy of pooling that without contracts as to the pooling of freight earnings between competitive points the railroads find it impossible to exact like charges for like services. Thus it is said when there is no pooling agreement large shippers can play one railroad off against another and so break down the schedule rates and get rebates. The railroad officials who give these rebates are liable to fine and imprisonment under the provisions of the Interstate Commerce Act and the shippers who receive the rebates are equally liable. Perhaps if pains were taken to apprehend the granting of these rebates and then steps taken to lodge the breakers of the law in the penitentiary railroad officials would find it possible to maintain the schedule rates without any pool agreement.

But the truth is that the playing off of one railroad against another by a shipper is not the cause of rebates in general. That cause is that the railroad officials and some favored shippers trusts and combines enter into a compact for mutual profit by which the railroads give rebates to the favored shippers who turn around and pay back part of that rebate into the pockets of the railroad officials. So the cause of discriminations not growing out of competition but dishonesty, the stopping of competition among the railroads by pooling would be no remedy.

It is also urged in favor of pooling, of forming several great railroad trusts, that it would result in great economies in transportation. If so, all the more reason for the organization of all the railroads of the nation into one great railroad trust, a trust to be operated by the United States, and not for the benefit of the few but the benefit of the whole people. Now as a matter of fact the organization of pools would not materially lessen the costs of transportation, for all the railroads entering into a pool would maintain their own separate organizations. But under government ownership there would come this cheapening, for government ownership would do away with the many separate organizations, do away with the necessity of keeping a multitude of accounts.

SIX months have gone by since the country was shocked by the Lattimer tragedy. It was on a September afternoon that a column of unarmed striking miners hailing from Harwood and marching on Lattimer along the public highway, with the purpose of prevailing upon the miners of Lattimer to join them on strike, were confronted by the sheriff of Luzerne county and a posse of three score or more of deputies, confronted for the second time that day by the sheriff and his deputies who had handled the same column of strikers with much uncalled for roughness at Hazleton a few hours before, fired upon without warning and a score of the marchers killed and twice as many wounded, though they offered no show of resistance, though they could not have resisted if they would.

For this slaughter the sheriff and his deputies, accused of murder, are now on trial at Wilkesbarre. Whether the column of marching and unarmed miners did anything sufficient to provoke men not inspired by hate and malice to fire upon them and kill and maim, whether the column of marchers was so disorderly and so threatening to life and property as to justify the sheriff and his deputies in resorting to their firearms, whether there was justification for the deputies firing nine or ten volleys into the crowd of strikers who certainly made no resistance, no show of fight, if they ever made such show, after the first volley had been fired, whether the sheriff had resorted to all other means of controlling the marchers and failed, and so was justified in his resort to bullets being unable to control the strikers, called a mob by the sheriff, peaceful marchers on a peaceful mission by their sympathizers, it is not for us to pass judgment. These questions the jury before whom the sheriff and deputies are now on trial for murder, uncalled for, unprovoked murder, murder done with malice, must answer when it returns its verdict of guilty or not guilty.

And it is with even greater diffidence that we criticise the rulings of the court knowing full well the fragmentary nature of our information upon which to base a criticism. But one ruling

of the court we cannot pass without criticism. We refer to the ruling out of certain evidence of one Costello who, on the field of the slaughter and helping one of the wounded, turned to one deputy, Hess by name, with the remark that "This is a nice thing you have done," and Hess rejoined angrily, "Shut up, or I'll treat you in the same way!" which showed somewhat of vindictiveness and malice of this one deputy toward the strikers to say the least. But this evidence of malice was ruled out on the ground that it could not be proven that Hess fired the shot that wounded the striker over whom this conversation took place. So it would seem under this ruling that all one need do to rid onesself of an enemy with safety is to get five or six friends to join in the taking off, all shoot at the intended victim together and only hit with two or three bullets. Then it cannot be told who fired the fatal shots, so all evidence of malice on the part of the murderers will be ruled out and the murderers at worst get off with punishment for manslaughter. Such rulings shake our belief in the impartial judge, which is especially to be regretted in a trial like this where the poor and weak are the prosecutors, those who stand high in society on trial, where class is arrayed against class.

THE STANDARD OIL TRUST.

IT IS often remarked that it is impossible to make something out of nothing. This is indeed regarded as a truism. But when we look at the growth of the Standard Oil Trust we are inclined to doubt our senses. Self-evident it is, indeed, that we cannot create something out of nothing, but something very akin to this have the men behind the Standard Oil Trust succeeded in doing. They have not, indeed, accomplished the impossible, but they have found something better than the alchemist's equation, something more potent in the accumulation of wealth without labor than the possession of the philosopher's stone. The alchemists sought to turn base metal into gold and failed, the unscrupulous men who organized the Standard Oil Company sought to turn dishonesty into gold and they succeeded. They have not, indeed, discovered the undiscoverable art of making something out of nothing, but they have succeeded in getting property without creating it, in enjoying wealth without earning it.

Starting with nothing twenty-five years ago the Standard Oil Trust has to-day a capital of nearly $100,000,000, with a market value of over four times as much, and upon which dividends are paid of something like $20,000,000 a year. And these dividends represent far from the earnings of the trust, far from the sum of money that is exacted from the users of oil and divided yearly among the few who use this trust to prey upon the community, divided among the holders of the trust certificates and the leaches who draw tribute from the trust for the trust that sucks millions from the community, has its numerous suckers.

Here then we have a property, if we can call it such—rather an organization, a concentration of influences—with an acknowledged earning power of $20,000,000 a year, a property or bundle of indescribable but irresistible influences whose earnings are undoubtedly two or three times as much and all this created out of nothing of value, the creation not of labor productively employed but the reward of the labor of dishonesty. Indeed, it is hardly permissible to speak of the earning power of this trust and its earnings for its earning power is a stealing power, its earnings, stealings. What is gathered and divided by the Standard Oil Trust represents in large measure wealth robbed not produced. The trust has indeed its refineries, it has its pipe lines, it does add value to the oil it buys from producers by transporting and refining it, but the profits it gathers are in large measure the profits of the trust as a monopolist not as a producer, the great increase in the selling price of refined over the purchase price of crude oil represents not added value given to the oil by refining, but is in large measure an exorbitant charge that the trust is enabled to exact because of its monopoly.

Thus the trust pays, say 55 cents a barrel to the producer of oil, but as it takes 1.4 barrels of crude oil to make one barrel of refined we have the cost of the crude oil in a barrel of refined coming to 77 cents. In order to get the cost of a barrel of refined oil we must add to this the cost of piping or transportation to the refineries from the oil fields which is about 11 cents, and the cost of refining which is about 16 cents a barrel. So the cost of a barrel of refined oil may be put down at $1.04.

This oil the trust is willing to sell and does sell for export, where it comes into competition with Russian oil, at 2.9 cents a gallon, or 1.21\frac{8}{10}$ cents per barrel of 42 gallons. So where the trust sells in competition it is content to take a profit of not quite 18 cents a barrel which may be regarded as a fair and legitimate profit. But when it comes to sell oil for consumption in the city of New York it demands $3.78 a barrel, or a profit of $2.74. Thus we see as transporter and manufacturer it is ready to work for a profit of 18 cents a barrel, but as monopolist it demands an additional profit of $2.56.

Yet we are told that the Standard Oil Trust has been a great benefactor to the people who pay this great tribute. We are told that it has systematized and economized transportation and refining with the result of cheapening oil to the consumer. But the unvarnished truth is that the cheapening in the price of oil to the consumer has come not from any cheapening in refining, not from any lessening of the margin between the cost of crude and refined oil, and therefore of the charges made by the Standard Oil Trust as middleman, but from a fall in the price of crude oil, a fall to one-eighth of what the price was when the Standard Oil Company was organized. And the price of refined oil has fallen in no such degree; in some localities where there is no competition it has not fallen at all. So banish the falsehood that the organization of the Standard Oil Trust has benefited the consumers of oil by lessening the costs of refining oil. The costs of refining have not been lessened and the charges made for refining have been increased.

Mr. George Rice, once one of the largest refiners of Ohio, but driven out of his markets and his refinery closed by the discriminations made in favor of the Standard Oil by the railroads, remarks, on this point, that "the process of converting crude into refined oil is no more intricate than the evaporation of water and the condensation of steam," that "the cost of refining a barrel of oil containing forty-two gallons is only about sixteen cents," and that "the Standard Oil monopoly did not introduce to this old and simple process *any new or economic principles*, and in nowise lowered the price of oil by a single act of mechanical ingenuity or honest mercantile and commercial wisdom." And the introduction of the greatest of all economies in the transportation of oil was not the work of the Standard Oil Company. Indeed, the pipe line antedated the organization of the Standard Oil Company.

What then has given the men behind the Standard Oil control over the refining and marketing of oil to the exclusion of other refiners? It has not been any peculiar aptness in the refining of oil, not the possession of any secret, any method of refining that would enable them to refine oil cheaper than other men and give them an advantage of which no man could rightly complain. Nor was it the possession of large capital that gave them, in the first instance, the great advantage over all competitors which has enabled the Standard Oil to drive its competitors to the wall. It was a dishonest compact entered into between those behind the Standard Oil and the officers of sundry railroads, and this alone, a compact by which crude oil was carried to the refineries of the Standard Oil Company and the refined oil to market at lower

rates than were charged other refiners, a compact by which the independent refiners were put under actual tribute to the Standard Oil Company, that gave that company its advantages and its monopoly. And the inducement to sundry railroad officials to enter into such compact, to bind their roads to an agreement to keep money out of the pockets of their stockholders that the Standard Oil Company might be enriched was that such railroad officials were stockholders in the Standard Oil Company and thus individually profited from such compacts, were probably given such Standard Oil stock without cost to them as the wages of their sin. Whether they were given such stock outright we do not know, that some of them were stockholders we do know.

Twenty-six years ago when the South Improvement Company, which soon evolved into the Standard Oil Company and later into the trust, was organized, the organizers were not the possessors of great wealth, nor was much wealth needed for the successful carrying out of the enterprise they undertook. Their aim was to accumulate wealth not by producing it but by gathering to themselves the wealth produced by others. In short their enterprise was primarily not one of production, but of robbery, not one to add to the wealth of the world, but one to grasp the wealth already produced and to be produced by sundry producers and refiners of oil, one to enrich a few individuals by preying upon many others. And for this great capital was not needed. Their aims were to steal the capital and earnings of others' capital not to gather wealth by investing great capital of their own. Their aim was to transfer the capital and the earnings of others to themselves. The possession of great wealth, great capital of their own would, of course, have greatly aided them in their piratical business, as it has since, but such wealth they did not have and did not need. Their need was the co-operation of the railroads, a co-operation which would turn a golden stream exacted from the ordinary run of oil producers and refiners as freight charges—turn a goodly portion of this golden stream that should have gone to swell the earnings of the railroads and so have flowed into the pockets of the railroad stockholders into the treasury of the South Improvement Company and thus into the pockets of its stockholders. And this co-operation of sundry railroads was obtained by holding forth a temptation of individual profit to railroad officials, a temptation to which they yielded, so sacrificing the corporate interests entrusted to their care for their own individual gain.

It was early in 1872 that the South Improvement Company came prominently before the public eye. Under this name the Rockefellers, Flagler, W. G. Warden, O. H. Payne, P. H. Watson, the Warings and a few others less prominently known, organized a corporation, the prime purpose of which was the reception and division of rebates, rebates that dishonest railroad officials were to be and were prevailed upon to make in consideration of being permitted to share in the profits of dishonesty. This was the real if not the ostensible reason for the creation of the South Improvement Company. Its creation offered an excuse for railroad officials to enter into contracts with it for the carriage of oil and, under the plea that the business controlled by such Improvement Company was of prime importance, grant rebates, ostensibly to secure valuable business that could not be secured without compliance on the part of the railroads with the demands of the Improvement Company for rebates. Thus railroad officials excused themselves for granting this Improvement Company rebates on the ground that if they did not such company would send its business over some one of the competing lines that would, that the business of this Improvement Company was too valuable to be lost and that the railroads could not afford not to grant the rebates demanded in order to hold it. It was a false plea but one that served railroad officials anxious to serve the Improvement Company rather than their own railroads.

The truth was that the business of the South Improvement Company, the oil traffic it had to offer, was nothing like so valuable to the railroads as the business of the outside producers and refiners and that was discriminated against in favor of the Improvement Company. Thus the railroads were put in the position of injuring the customers to whom they owed most in order that the customer of least importance to them should unduly gain. But then the success of the least important customer happened to have the greatest interest for the railroad officials, for in the profits of that least important customer they were given a share. And so their eyes were blinded to the interests of the railroads, so blinded that under the plea of holding business they actually paid as rebate to the South Improvement Company several times as much money in rebates as that company paid them as freights. Instead of the South Improvement Company paying the railroads for the carriage of oil the railroads paid it for the privilege of carrying its oil.

And the railroads have borne the same relations to the Standard Oil Company, as successor to the South Improvement Company, at one time actually paying to the Standard Oil Company $9 as rebates to every dollar paid them as freights. It is thus that the Standard Oil Trust has grown out of nothing, grown until it distributes $20,000,000 a year as dividends, until its nominal capital is $97,250,000 and the market value of the certificates representing this capital, four times as much, and grown without the contribution by the certificate holders, either as money or property, of any material part of this capital. The capital has been contributed by the railroads at the expense of independent producers and refiners, not by the Rockefellers and others who enjoy it.

For the ostensible reason that the business of the South Improvement Company had to be had even though all other oil producers and refiners had to be discriminated against to get it and for the real reason that sundry railroad officials profited by unduly swelling the profits of the South Improvement Company, J. Edgar Thompson, for the Pennsylvania Railroad, Wm. H. Vanderbilt for the New York Central and Jay Gould for the Erie, entered into a compact with the South Improvement Company to not only allow it a rebate on all oil it offered for shipment but pay it a rebate on all oil shipped by other parties, such rebates to be the difference between the freights charged outside shippers and the special rates offered to the Improvement Company. Thus the way was opened for the Improvement Company to gather great profits without doing any business, all outside shippers of oil being laid under tribute to it.

This contract not being concealed and being spread before the public it excited intense indignation, so intense that the Pennsylvania Legislature repealed the charter of the South Improvement Company in 1872. But the organizers of the South Improvement Company simply organized under another name. They purchased the Standard Oil Company of Cleveland, and under its name went on with their nefarious work. For ten years thereafter the Standard Oil Company grew in wealth and power. Enjoying special privileges, able to collect the crude oils and market the refined products at less expense than its competitors, indeed often at no expense at all, it was able to grind down its competitors, and if not wreck their enterprises, at least make them ready to sell out for a mere fraction of their investments. And then the opportunity was offered for the men behind the Standard Oil to buy up these properties and incorporate them.

So things went along until 1882, when so many of these originally distinct enterprises had been bought up that the owners deemed it advisable to concentrate them by means of the formation of a trust. So the securities of the various oil companies controlled and owned by the Standard Oil group were deposited with certain designated trustees who issued therefor trust certificates. And as more independent oil refiners have been crushed out and constrained to sell, more of these trust certificates have been issued, until now some $97,250,000 of them are outstanding. The stockholders of each of the corporations depositing their

securities with the Standard Oil Trust parted with their exclusive right to the property of the corporation of which they were stockholders and became interested, part owners, in the property of all the corporations whose stock has been so deposited, and put the management of such corporations in the hands of the trustees. So if the Standard Oil Trust was dissolved the holders of the certificates would become not sole owners of the corporations, for the securities of which such certificates may have originally been issued, but part owners in all the corporations entering into the trust. As a matter of fact, to escape prosecution at the hands of New York state, the trustees of the Standard Oil Trust resolved in 1892 to put the trust into liquidation. But resolve is all they ever did. They have never acted to this end and show no purpose of doing so. And meanwhile all the discriminations that serve to give the trust a monopoly continue in force.

The result of these discriminations, continued for a quarter of a century, has been to concentrate the business of refining oil largely in the hands of the trust, greatly to the detriment of the public, as we shall show. In 1872, when the Standard Oil Company stepped into the place of the South Improvement Company, or rather when the Rockefellers, Flagler and others cast off the cloak of the South Improvement Company, under which they received rebates and divided them with railroad officials, and assumed the cloak of the Standard Oil Company, they controlled but 5 per cent. of the oil refining business of the country. Seven years later they controlled 95 per cent., and, entrenched behind the bulwarks of discrimination, with the railroads playing into their hands, they have held it ever since.

Of course, many of the acts of discrimination have been kept secret, but some gross contracts and practices of discrimination have been uncovered. In the transportation of both crude and refined oil, transportation by rail and by pipe line, and even by water, independent refiners have been confronted with discrimination. Not only has there been discrimination in rates, but discrimination in services, and so as to give the color of legality to some of the grossest discriminations, specially low rates have been given on oil transported in certain ways denied to the independent refiners. Thus a much lower rate has been made on oil transported in tank cars than in barrels, and the use of tank cars denied to independent refiners. Not only have the railroads refused to furnish such cars, declaring their inability, but made it impossible for the independent refiners to furnish their own cars. What is more, there is no excuse for making a lower rate for transporting oil in tank cars than in barrels, for the cost of transporting in bulk is no less than the cost to the railroads of transporting in barrels. Of course, it costs more to barrel oil than it does to let it flow into and out of a tank car, but this cost falls on the shipper. The actual cost of transportation in barrels is no greater than in bulk, indeed, not so great, for the tank cars must be pulled back empty in almost all cases, for there is little but petroleum that can be shipped in them. But the ordinary cars in which oil is shipped in barrels are available for all classes of freight. Yet the railroads charge less for oil shipped in tanks than in barrels, though they have to return the tank cars empty.

The grossness of the discriminations under which the Standard Oil Trust has been built up, will be made apparent by one or two examples. In 1878 the tariff rates on refined oil to competitors of the Standard Oil from Cleveland and Pittsburg to New York, over the lines of the Pennsylvania Railroad, were fixed at $1.90 per barrel, but the rate to the Standard Oil was put at 60 cents per barrel on oil shipped in tank cars. Here was a discrimination in favor of the Standard Oil of $1.30 per barrel. But this was not the worst of it. For the carriage of crude oil from the oil wells to the independent refineries 35 cents more a barrel was charged than was charged for the carriage of crude oil to the refineries of the Standard oil in Cleveland and Pittsburg. And this extra 35 cents exacted from independent refiners was turned over to the Standard Oil Company. And as it takes 1.4 barrels of crude oil to make one barrel of refined, this amounted to a rebate of 49 cents on each barrel of refined oil, a rebate exacted from the independent refiners by the railroads and paid by the railroads to the Standard Oil Company.

So this company instead of paying 60 cents a barrel for the transportation of refined oil from Cleveland or Pittsburg to New York, actually paid but 11 cents, while independent refiners had to pay $1.90, a discrimination of 1,600 per cent. in favor of the Standard Oil Company. That is, independent producers had to pay seventeen times as much for transporting a barrel of refined oil to New York as did the trust. It is no wonder that the enterprises of the independent refiners have been blasted while the profits of those behind the Standard Oil Company and later the trust have been counted by tens, yes, hundreds of millions.

Since January, 1882, the date when the trust was evolved out of the Standard Oil Company, $230,482,500 have been divided as dividends, and of this $110,865,000 has been divided since 1892. And these dividends represent merely the acknowledged earnings or stealings of the trust from the community. The stealings that the trust gathered but disbursed in other ways than dividends, disbursed as rebates, that is bribe money, to railroad officials, and as subsidies to sundry transportation agencies and to sundry oil men who it has been judged cheaper to buy off than engage in an uncompromising war of extermination, come undoubtedly to as much again, probably more.

If it is asked who these railroad officials were who received rebates, who sacrificed the interests of the railroads for private gain the answer is such men as William H. Vanderbilt, of the New York Central; President Thomas A. Scott, of the Pennsylvania. That these two men shared in such rebates we have the testimony of Frank Rockefeller, that many others shared with them there is no doubt. It is by sharing in such rebates, by taking the wages of dishonesty that scores of railroad officials drawing moderate salaries have been enabled to live on a scale demanding the expenditure of several times their salaries and yet die leaving fortunes counted by millions, fortunes not earned but stolen from the community.

To share in such rebates there are, of course, two ways. Either the railroad officials may be given stock in the enterprise, or trust in whose favor they are expected to discriminate in return or an arrangement may be made whereby the rebates granted are paid into a pool and then divided up between the trust favored and the railroad officials granting the favor, granting a favor which is not of right theirs to grant. And the Standard Oil Company has purchased rebates in both of these ways.

It so happens that of late years and with the laying of pipe lines from the oil fields to tide water the rail transportation of oil by the Standard Oil Company and later the trust, from Cleveland and Pittsburg and the oil fields to tide water where refineries have been established has been much curtailed. The National Transit Company, which is nominally an independent company, but really another name for the Standard Oil Trust and which controls the pipe lines, has taken traffic away from the railroads. Thus it might be supposed that the railroads would have less and less inducement to continue to play in with the Standard Oil Trust. But while the inducement of earnings made from the Standard Oil on the score of oils transported for that trust has been lessened another inducement has been held up. Thus the Standard Oil Trust agreed in 1889 to hand over to the railroads a certain portion of the earnings of the National Transit Company, a portion stated at 26 per cent. of gross earnings, in consideration of the railroads agreeing not to carry the oil of independent producers at lower rates than the Standard Oil Trust chose to dictate. In the same line the Standard Oil Trust made a contract in November, 1890, with the Canadian Pacific Railroad by which the trust agreed to pay an annual subsidy to that railroad of $500,000 in consideration of the Canadian Pacific, that is the

Canadian Government, working with it to squeeze out competition. So also to squeeze out competition the trust guaranteed the Pacific Mail Company 5 per cent. on a capital of $28,000,000, or $900,000 a year in return for that company, which ships freight between the east and west coasts of the United States by way of the Panama isthmus, agreeing to charge such freights as the Standard Oil may see fit to dictate. Thus the trust aims to shut independent refiners out of the markets of the Pacific states by making freight rates prohibitive.

So we see some of the outlays the Standard Oil Trust makes to maintain its monopoly. In short it has many suckers. But it sucks so much itself from the community that it can well afford to meet all the parasitical demands, the demands of dishonest railroad officials, all the demands of steamship companies and meet the losses it often entails in holding on to its monopoly. One more example of the way it has profited by railroad discrimination will suffice. Thus in 1885 the Cleveland & Marietta Railroad Co., and then in the hands of a receiver and under the jurisdiction of the United States Court, exacted a charge on shipments of crude oil made by George Rice, an independent refiner, from Marksburg, Ohio, to Marietta, of 35 cents a barrel, while the Standard Oil Trust paid but 10 cents a barrel for similar service and was moreover paid a rebate of 25 cents a barrel on every barrel shipped by Mr. Rice. Thus although the railroad charged Mr. Rice 25 cents more a barrel than the Standard Oil Company the treasury of the railroad was in no way enriched by this extra charge. This extra charge went into the treasury of the Standard Oil though it is most doubtful that the whole of it found a resting place in that treasury. Part was no doubt handed back to those railroad officials guilty of fixing up the rebate in the interest of the trust. But that the treasury of the trust is greatly enriched by such rebates, enriched in spite of the return rebates made to dishonest railroad officials, enriched in spite of all other drains is shown conclusively by the enormous sums that the trust is enabled to disburse as dividends.

What the trust is really exacting from the people of the United States it is, of course, impossible to show. But that it is exacting more than it disburses as dividends is evident, for the sums it pays as subsidies and rebates are, of course, levied upon the people. It is, moreover, certain that the trust is charging three times as much in New York for oil for use in that city as it charges for oil for export. Approach the agent of the Standard Oil and ask at what price you may purchase oil and you will be asked what you want it for. If wanted to retail in New York you will be told 9 cents a gallon, if wanted for shipment in competition with Russian oil, 2 9/10 cents. Now this gives us a guide as to what the trust is taxing our people. If the trust can afford to sell refined oil for shipment to Europe for less than three cents a gallon it could afford to do so in America, and if there was competition it would do so. Moreover, there would be competition if it was not for gross railroad discrimination against independent refiners. But so long as there is such gross discrimination as we have seen there cannot be competition, and we will continue to pay three times as much for our oil as we should. And until we have government ownership of the transportation facilities now used in the interest of monopoly we will have such gross discriminations. In short, the Standard Oil Trust is taxing our people from $40,000,000 to $50,000,000 a year on the oil they burn, and from this tax government ownership of our railroads would relieve our people, to say nothing of many other monopoly taxes now exacted by trusts and combines that are the creation of railroad discriminations in freight rates.

Of crude oil we are producing about 60,000,000 barrels a year which is the equivalent of about 43,000,000 of refined. Of this we are exporting something more than half and some of it at less than three cents a gallon or $1.26 a barrel. True the average price of the oil sold for export is nearly double this for much is sold where Russian oil does not come in competition, in the East and in the interior towns of Germany and several other continental countries to which towns the Standard Oil has cheaper access than its competitors. But the price of oil sold in New York for consumption is half as much again as the average export price, not six cents but nine cents a gallon and the average price of oil in the United States is probably considerably in excess of nine cents a gallon or $3.78 a barrel. Where competition is still alive, in localities which independent refiners can reach by water and where they are comparatively free from the gross handicaps of rail discrimination, oil sells for much less, but in other localities the Standard Oil charges more, in some places as much as twenty-seven cents a gallon. And this for oil that with fair transportation charges added it could sell for three or four cents a gallon and still make a profit of 20 per cent. on every dollar's worth of oil sold, for oil that it is selling for less than three cents a gallon where Russian competition is met. We may then take three cents a gallon or $1.26 a barrel as a fair price for refined oil while the average price charged our people on the 20,000,000 barrels or so they use a year is probably more than nine cents a gallon or $3.78 a barrel. So here we are paying as the price of monopoly, as the price of permitting railroad discrimination in favor of the trust and that has destroyed competition, paying as a reward of dishonesty, paying to railroad officials unfaithful to their trust, paying to those in the Standard Oil who tempt such officials from the path of uprightness, paying $2.52 a barrel of oil used, or upwards of $50,000,000 a year.

MR. WALKER—OUR FINANCIAL ILLS AND HIS BANKING PANACEA.

MR. WALKER of the House Committee on Banking and Currency finds himself in the unenviable positon of a chairman without a following. Of the twelve Republican members of that committee not one agrees with him. It evidences a general lack of confidence in either the financial or political judgment of the chairman. The currency plan he has to suggest must be regarded as unsound finance or its adoption as unwise politics. That it is regarded in the latter light by his associates who refuse to follow his lead, that they refuse to follow him because his leadership is bold and they have not the courage to follow, we feel sure.

Looked on from one standpoint, that of the maintenance of the gold standard, Mr. Walker's plan is, indeed, illogical, but looked at from the standpoint of the currency monopolist, looked at from one step behind the cloak of gold monometallism that so many seekers after a bank currency monopoly use to hide their ultimate end it is boldly logical. The gold monometallists have told us that our currency is inflated, that in order to maintain gold payments we must contract our currency. Mr. Walker urges bank currency expansion. So he differs from the gold monometallists and in proclaiming his plan as one framed on lines of gold monometallism he is illogical. If he would proclaim it as framed on lines of irredeemable bank currency, and it is such a currency that would give the moneyed interests greatest power, greatest control over the distribution of wealth, greatest opportunity and ability to gather the fruits of others' labor, build up their own riches, become the property owners of the world and enslave mankind, if he would proclaim it on these lines he would be perfectly logical. For it is in this direction, the direction of irredeemable bank currency that his plan points and it is along these lines that many of those who have so profited by the demonetization of silver and the appreciation of gold, but who are capable of seeing beyond the present, would gladly travel.

From continuous appreciation of money they cannot profit forever. As creditors they become at last, through the depreciation of property and the bankrupting of debtors the owners of

property, and as owners of property their interest lies not in a dearer dollar and further depreciation, but a cheaper dollar and higher prices. And the farsighted creditor must see that the continued appreciation of gold must rapidly put into his hands the property of his debtors, make him an owner of property, not of debts. And property is not lucrative but an actual burden when prices are rapidly falling for in the face of falling prices production cannot be profitably carried on and of course property cannot be rented so as to yield a remunerative return. It cannot be, for with falling prices it must be as impossible for the renter to earn rent as it was to the debtor owner to earn interest. What the one failed to do the other must fail to do under similar circumstances.

While the capital of the debtor, his equity in his property, is unexhausted the creditor may prosper while prices are falling, for out of the capital interest will be paid him and the debtor's equity in the property will be squeezed out, subtly transferred to the creditor. But when this transfer has been made, when the debtor is reduced to insolvency, the character and interests of the creditor must change. Indeed he ceases to be a creditor, he becomes an owner of property and his interest then lies in appreciation of the value of property, not depreciation. And this time is rapidly approaching.

So the money lenders who foresee the time when they will be property owners, and a time not far distant under a continuance of present conditions, look for some way by which they may check the depreciation of property, cause prices to rise and so instill new life into industry and make property rentable and saleable when this time comes. And to get this power in their own hands, the power to check the fall in prices and turn them upward at will they must get the power of increasing the volume of money, and so cheapening it just when they see fit. How to get this power, a power that will enable them to harvest the fruits of silver demonetization, is the question. It is evident that they cannot get this power so long as we adhere to gold monometallism and all increase of the currency is dependent upon the production of gold which is beyond their control. And they have much the same objection to the reopening of our mints to free silver coinage. Such opening would indeed cheapen money, but it would not give them the power to say when it shall be cheapened and how much, for they have no more the power to regulate the supply of silver than they have of gold.

Besides, these men who have sought to gather riches by causing gold to appreciate that they might in an unseen way take from others the products of their labor want something more than the power to cheapen money for the successful carrying out of their ends. They want the power to make money dear at will as well as cheap, the power to depress prices as well as raise them, the power to undermine profits, bleed enterprise and wreck industries, as well as the power to build up profits, instill new life into enterprise and build up industries, for it is only with the possession of such a power and by its use that they may unfailingly harvest the fruits of other men's labor. When they have cheapened money and raised prices, made industry profitable and the property they have bought from ruined debtors salable, they will cease to be owners of property, they will sell such property, take payment in cash in part, and in part in notes secured by mortgage on the whole property. And then they will become owners of debts and their interest will be to cheapen property and so cause debts to become relatively dearer, until such debts finally represent the full value of the property, and the debtor having lost his savings put up in part payment for the property and having lost his earnings, such property will pass again into the possession of the creditor, who would become once more an owner of property, with interest in cheaper money and higher prices.

Thus it is that those who would make a business of preying upon their fellow men need a regular see-saw of prices, a periodical raising and cheapening of money and inversely a falling and raising of prices to successfully carry out their purposes. And as the power to enhance and cheapen money goes with the power to decrease and increase its volume, just one kind of currency would meet the ends of these speculative cliques, just one kind of currency would give them the power to raise the value of money and cheapen it at will and that is an irredeemable bank currency.

It does not follow that all lenders of money aim at an irredeemable bank currency, for all loaners of money are not bent on robbing their debtors. But that the speculative cliques who have engineered the appreciation of gold, whose one aim in life is to gather wealth by despoiling men of their accumulations, who are striving to gather into their own hands the wealth produced by the many, who feverishly pursue the goddess of greed and know no charity would welcome an irredeemable bank currency does follow. And it is to just such an end that Mr. Walker's currency plan would inevitably lead. It is a plan that should find support among those who believe not in the brotherhood of man but that might makes right, whose aim is not to produce wealth but to prey upon the wealth produced by others, who believe not in the equality of man, not in democracy insuring to all men an equality of opportunity but in rule by a moneyed oligarchy. That an irredeemable bank currency controlled by the speculative cliques could be made the most powerful of factors in the building of a moneyed oligarchy and the grinding down of the many is self evident for it would enable those controlling the banks and so the volume of currency to speculate upon certainties, to gamble with loaded dice, for able to make money dearer or cheaper, they could foretell the general movement of prices without fail and so speculate in the products of labor with unfailing certainty of gathering the earnings of the producing classes.

So Mr. Walker should find support for his plan among those who support gold monometallism merely as a first step to the enthronement of a moneyed oligarchy and as a cloak behind which to cover further steps for the centralizing of wealth in a few hands, the stripping of the many of their earnings for the benefit of the few. It should find support among none other. It may find some support among men blind to its inevitable ending, that of irredeemable bank currency, and it is possible, indeed probable, that the framer of this plan is one of the blind advocates, blind as to the ending of his plan. The gold monometallist should not support it, for gold monometallism demands contraction and Mr. Walker's plan would open the doors to bank inflation. To say that it aims at bank inflation is perhaps not permissible for such may not, and we believe is not, the aim of its author. But that it would open the doors to such inflation, that it would lead to such inflation and be followed by suspension of gold payments, leaving us with an irredeemable bank currency, the volume and so the value of which would be regulated by the banks or rather the speculative cliques is quite certain.

Mr. Walker opposes the retirement of the greenbacks, he is equally opposed to their virtual retirement by locking them up in the Treasury and reissuing them only as gold certificates as proposed by the President, he declares that a secured bank currency, that is a bank currency issued against United States or other bonds, is unscientific, that the banks should be left free to issue money at least up to the amount of their capital and regulate the issues of such money. Thus he would leave the banks free to expand and contract the currency, he would make their notes redeemable in gold and so throw upon them the burden of maintaining gold payments.

Now, would the banks be able to sustain the gold standard or would they fail to provide for redemptions in gold and so permit our currency to drop down to an irredeemable bank paper basis? If they expanded their issues, as Mr. Walker evidently anticipates they would, they could not sustain the gold standard.

To sustain the gold standard they would have to take steps to prevent inroads upon their gold reserves. And this would mean that when gold exports set in they would have to contract after the fashion of the Bank of England. But such contraction would put our banks in a dilemma that seldom has confronted the Bank of England. When the Bank of England contracts and depresses prices, the result is to oblige all Britain's debtors to send her more produce in satisfaction of the constantly accruing interest charges on their debts. So though the policy of depressing prices falls severely upon the producing and mercantile classes of England, it is not an unmixed evil to the British nation, for it profits as well as loses by such action. But with us the case would be different. The policy of depressing prices to keep gold would be an unmixed evil for us. Being a debtor nation, just as prices were depressed, the more burdensome would become our debts, the more produce would we have to export in satisfaction of our debts and to obviate the export of gold. So for us a policy of contraction would mean that we would have to pay to foreign nations more produce, for Britain it means that she would be paid more. And so what has often been a strain for the Bank of England would in all probability be an impossibility for our banks.

When the Bank of England contracts to check gold exports the strain is often great, for such contraction amounts to an order of the bank to merchants to sell their produce that the bank has been carrying, an order to ship produce in settlement of their foreign debts and not to call upon the Bank of England to send gold in settlement. This, of course, means a falling in prices and the building up of the debt-paying power of exports is always a long and trying stern chase when prices are falling. But what is a trying path for the British merchant would be an impossible path for the American, because of the charges on our great debt that would become more burdensome and require more and more produce in settlement just as prices fell. In short, the sacrifice that our banks would have to demand of our people to check gold exports would far exceed the sacrifice ever demanded by the Bank of England of the British people. And if we could not stand this greater sacrifice our banks could not sustain gold monometallism.

That it would be theoretically possible for our banks to keep gold by contraction and cutting down prices, just as the Bank of England does, no one will deny. But would it be practically possible? In other words, could we stand the strain of a fall in prices that would make our products so tempting to foreign consumers that they would take a sufficient increase in volume to more than neutralize the loss in value from depreciation, and so sufficiently increase the value of our exports as to put a stop to the demand for gold? In answering these questions we must remember that the further prices are depressed in an effort to stimulate exports the more must they be stimulated to increase the value. So to contract and depress prices may even cut down the value of exports while increasing the volume.

For a debtor nation, that must export much more than she imports, to strive to check gold exports by contraction and depressing prices is therefore prone to result in failure, prone to result in increasing the demand for gold rather than in decreasing it. This for the reason that when prices are cut into the profits of industry are cut into, the solvency of men and corporations indebted to foreigners is thrown in question, and the result is that such creditors persistently strive to sell out and realize upon their holdings before the threatened crash. And this may very readily quite offset any falling off in demand for gold, because of a falling off in imports of merchandise, and so no curtailment in demand for gold follow such a policy.

Of this we had striking example in 1893 and the two following years. There was great contraction, great fall in prices, our people were driven towards bankruptcy, many were forced over the brink, and the nearer we approached general bankruptcy the more insistent did the demand for gold become. If we had been a creditor nation, if we had had securities to sell instead of having to buy, the results of contraction would have been different, as they have been different in England for the past six months. But the fact is that we are a debtor nation, and that contraction and falling prices, if carried so far as to seriously impair the profits of industry, are likely to result in increasing, not curtailing, the demand for gold.

So it is that Mr. Walker's currency plan for the extension of bank currency would be quite certain to lead to suspension of gold payments, and so leave us with an irredeemable bank currency. It is true that there is no demand upon us for gold now, and that under present conditions the banks could readily sustain the gold standard. But present conditions are abnormal; circumstances have combined to give us not only one, but two most favorable years in our foreign trade, there having been an unusually good demand for our food stuffs because of crop failures abroad. And as we cannot forever look forward to bountiful crops within our borders and short harvests without, so we cannot forever look forward to a continuance of conditions that at present relieve us of all demand for gold. Demand for that metal we must expect to recur with the recurrence of normal conditions.

It is to be noted that the basis for Mr. Walker's sound currency is nothing more than bank wind. He claims for his plan that it would give the South and agricultural West banking facilities and a supply of money that are now much needed. He also asserts that it would greatly cheapen interest rates all over the country for it would make banking more profitable, enable the banks to reduce their interest charges and still earn the same rate of profits as now. In short it would enable the banks to loan the same capital twice, enable them to loan their subscribed capital and still have it all to loan. Thus he says a bank organized with a capital of $25,000 would have under his plan $25,000 capital to loan and then could issue $25,000 of currency and loan it. In short, a bank would have twice as much money or bank wind to loan as now and therefore interest rates would be much cheapened.

But Mr. Walker forgets that capital is not money, that stored food, and tools and workshops are capital not money, that money is the mere representative of capital and that when men borrow at interest they pay interest not for the use of money but for the use of that which money will buy and that interest rates will be largely determined not by the quantity of money but by the profits that can be earned by the employment of what money will buy. If those profits are large interest rates will be proportionately high for the competition among men for loans will grow in like ratio with the profits of industry. And if profits fall interest rates will fall for men cannot afford to pay more for the use of money than they can earn with it. Of course, to increase the quantity of money so as to raise prices and diminish the purchasing power of money will tend to diminish interest rates for interest is paid not for the use of money but for the use of what money will buy and so if we diminish the purchasing power of money we diminish that for which interest is paid and so naturally reduce interest rates.

But on the other hand the rate of profits that can be earned with what money will buy increases as prices rise and money becomes more plentiful and this tends to cause interest rates to rise. And so it is that interest rates are often observed to rise as money becomes cheaper and more plentiful for then profits rise, and to fall when money is growing scarcer and dearer for then profits fall. Of course, when producers are driven to borrow money not to use in production but to husband what they have high interest rates are demanded for the necessities of the borrower are taken advantage of and then there is ever risk in loaning money when the borrower cannot use it productively and so as to earn the interest for interest unearned must be paid out of principal.

It is said that the national banks are now in position to loan their capital twice, once to the government and once to their customers, and so earn double interest. But the fact is, that the banks can ill afford to purchase government bonds and take out circulation and so earn this double interest, save in communities where interest rates are low. In communities where interest is high it is not profitable for them to take out circulation, and in such communities they only take out circulation upon the bonds that they are required to purchase under the national banking law. They do not purchase bonds for the purpose of taking out circulation. The consequence is that the greater part of the national bank circulation is taken out by the banks of the New England and Middle States. The banks of these states have proportionately more notes in circulation than the banks of other states where interest rates are higher, and the mere fact that national banks organized in communities where interest rates are relatively high are required by the provisions of the national bank act to invest part of their capital in United States bonds tends to discourage the organization of national banks throughout the agricultural South and West. Thus this provision of the national bank act, and a provision that has outlived its purpose, tends to deprive the South and West of banking facilities. And the want of banking facilities which obliges the borrower to borrow through middlemen, which makes the borrower a stranger to the loaner, tends to make interest rates unduly high.

But the true cause of the lack of banking facilities in the South is the inability of the southern planters to accumulate wealth as the result of their enterprise. And this is also the prime cause of the dearth of money and of high interest rates. When it costs the planter more to raise cotton than he can sell it for money will be drained away from the South no matter what makeshifts are resorted to to keep it there. Those who have property to give for money can get money, those who receive more than they spend can keep money, those who must spend every cent that the products of their labor can be sold for cannot keep money, they cannot accumulate money to start banks or extend the fields of their enterprise and so the productiveness of their labor. And with cotton at 4½ cents a pound on the plantation the planter cannot accumulate money, for it costs more to raise the cotton than it brings, and while this continues there will be a dearth of money in the South.

And then interest rates are high, though the planters can ill afford to pay high interest rates. They are high for the reason that the planter cannot earn interest at the present price of cotton, that he is drifting toward bankruptcy, and because there is great risk of loss in loaning to him. And for this risk he must pay, which hastens him on to his ruin. Indeed, it is this element of risk that makes interest rates to producers of all kinds high at this time with a few exceptions, the few exceptions being those producers organized into trusts and combines, who are profiting in these bad times and who can command money at exceptionally low rates as can stock speculators.

In short, the South can never get banking facilities and never prosper until its staple product sells for more than it costs to raise. And the same is equally true of any section of the country in which men are constrained to labor without enriching themselves. While we have a fiscal policy that saps the profits of industry there will continue to be a dearth of money in the productive channels, a dearth of money for investment in productive enterprises and a plethora in the financial centers, and those whose industry is made unprofitable will be kept on the ragged edge that will put them at the mercy of their creditors and oblige them to pay high interest rates when interest rates in the financial centers rule very low.

And under such a financial system no amendment to the banking laws can bring an amelioration of conditions to those suffering from a dearth of money. We may amend the banking law so as to permit the banks to issue up to the full par value of bonds deposited with the Treasury as security for circulation, we may reduce the tax on circulation from 1 to ½ per cent. per annum, as Mr. McKinley urged in his message and the Committee on Banking and Currency are ready to recommend, but from such amendments to the national banking law the country would profit nothing. They would indeed in all probability be followed by an increase of bank currency, but such increase would be followed by a contraction of some other kind of currency. So long as we adhere to the gold standard the volume of our currency will be regulated by the supply of gold. To increase the volume of currency without an increase in the stock of gold, could but lead to local inflation of prices, gold exports, thus contraction and falling prices. In short, prices are tied down to the stock of gold money. Increase this stock, which increase would be common to all gold using countries and prices may advance, but they cannot otherwise so long as we cling to gold.

If, indeed, Mr. Walker's free banking plan should be adopted and we had suspension of gold payments then we might have inflation and rising prices. But the country would have cause to rue the day when we were cast on an irredeemable bank paper basis, for then we would be treated to a constant series of inflations and contractions at the whim of speculators such as would end in concentrating the wealth of the country in a few hands, centralizing power in a moneyed oligarchy and impoverishing our producing classes.

WORDS OF WISDOM.

HAPPY the man, who, innocent,
Grieves not at ills he can't prevent.

Matthew Green.

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That single effort by which we stop short on the downhill path of perdition is of itself a greater exertion of virtue than a hundred acts of justice.—*Goldsmith.*

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Habits, good or bad, may be formed in an incredibly short time if they are congenial.

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It is not often that great accumulations of wealth do anybody good. They usually spoil the happiness of two generations —one in the getting, and one in the spending.—*J. G. Holland.*

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Let no man be sorry that he has done good, because others have done evil. If a man has acted right, he has done well, though alone; if wrong, the sanction of all mankind will not justify him.

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One of the humorous writers got beyond humor and into the domain of sacred logic when he said: "It shows God's opinion of wealth by the men He gives it to." Truly, it is hard to serve Him and Mammon.

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We do a great injustice to Iscariot in thinking him wicked above all common wickedness. He was only a common money lover, and like all money lovers, didn't understand Christ—couldn't make out the worth of him or the meaning of him. He didn't want him to be killed. He was horror struck when he found that Christ would be killed; threw his money away instantly, and hanged himself. How many of our present money seekers, think you, would have the grace to hang themselves, whoever was killed?—*John Ruskin.*

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Let none falter who thinks he is right, and we may succeed. But if, after all, we shall fail, be it so; we still shall have the proud consolation of saying to our conscience and to the departed shade of our country's freedom, that the cause approved of our judgment and adored of our hearts, in disaster, in chains, in torture, in death, we never faltered in defending.—*Abraham Lincoln.*

BOOK REVIEWS.

An Insight into French Writers and Books.

A History of French Literature. By EDWARD DOWDEN, Professor of English literature in the University of Dublin. New York: D Appleton & Co. $1.50.

Geology has its way of characterizing epochs as those of stone, iron, bronze and whatnot. Literature indulges in fanciful retrospects of one or two golden ages, separated by an age of lead here and an age of unnamed light-weight aluminium there. Where we are in these piping times, when every Jack is a poet, every Jill a novelist and everybody else a mixture of both, it is better to leave posterity to settle. This has been dubbed the Age of Brass, the Age of Electro-plate, with other unlovely nicknames, but if the metals are to name it surely that of the printing-types has the right to stand as first godfather. Then there is a good deal to be said in behalf of such a title as the Age of Beef Extract. A bullock in a tea-spoon is what we demand from our literary Liebigs, and what we get is the little spoon with the Liebig in reverse on the outside. The sorry truth is that bullocks can no more be floated in teaspoon arks down the alimentary canal than French, or any other literature, can be historied in a four hundred-page book. If any living magician could work this miracle, it would be Prof. Dowden. Honest man that he is, he warns off any such expectation at the outset. "No one can pretend to know the whole of a vast literature. He may have opened many books and turned many pages; he cannot have penetrated to the soul of them all." We may remind beginners and skimmers who—happily for the trade—are everywhere gobbling up these Liebig literatures, that even if the cook does "penetrate to the soul," its living virtue is likely to escape up the chimney, and the thinnest of us cannot last long on odors and essences. A national literature consists of the usual proportions of soul and carcass found in men and beasts. Either without the other is poor mind-food but the former alone, or with the skeleton thrown in, means starvation. So the hungry student must not suppose that even this most admirable "history" is anything more than a guide-book, written by the very best guide we have met, to the forest of French literature whose leaves he will still have to gather and botanize for himself.

Dowden's studies of Shakespeare, Shelley and Southey, and his recent work on the influence of the French revolution, display powers of analysis, wide and sound scholarship, and an attractive style on the whole unrivalled. He modestly gives chief credit to his "collaborators, the ablest and most learned students of French literature, who have written each a part of my book, while somehow it seems that I have written the whole. My collaborators are on my shelves." These he names, with the advantage to the reader of guiding him to the best sources for knowledge of each period, and at the end he gives a rich bibliography, arranged in centuries, of French authorities. The work is divided into five "books". The first discourses of the literature of the Middle Ages, its religious poetry, its epics, first and best the glorious *Chanson de Roland*, with Charlemagne as the central figure. Lyrics, fables, dramas and didactic writings come next. Book second covers the sixteenth century, from Marguerite of Navarre to Montaigne. Books third and fourth contain fuller sketches of the literary output of the seventeenth and eighteenth centuries, and book fifth is limited to the period between 1789 and 1850. The index names some five hundred writers, each individually considered. So far from Prof. Dowden having used scissors in his book making it is in his philosophical yet entertaining talk about these writers that the value of the book consists. He first interests his reader in his man, then deftly touches off the weak and strong points in the writer, and so glides us into a mood for going straightway to the nearest library that we may know more of such interesting folk. Francois Villon, for instance. What little is knowable of him is here told with kindness and discrimination. A foundling, born about 1431, wearing the name of his protector in childhood, and half a dozen aliases, to cover his variegated rascalities. Though he passed through the university with honors he led a vagabond life, killed a priest in a quarrel, was sentenced to the gallows, and then wrote his famous epitaph poem for himself and chums who were all to swing together. However, he got off with banishment and went cheerily into the highwayman business when he came back. When next heard of in his thirtieth year, he is being freed from a half-year's spell in jail on bread and water, and as hollow vessels give the richest sound that experience may account for his instant production of his finest poem, his *Grand Testament*, "proving himself the most original poet of the century." Then the comet disappears, no one knows how or when, leaving a gleam across the distant sky that is in no danger of dying out or being ignored. "His figure is so interesting in itself—that of the *enfant perdu* of genius—and so typical of a class, that the temptation to create a Villon legend is great; but to magnify his proportions to those of the highest poets is to do him wrong. His passionate intensity within a limited range is unsurpassed; but Villon wanted sanity and he wanted breadth."

Of Rabelais this is written: "If he is gross . . . he is not, apart from the evil of such grossness, a corrupter of morals, unless morals be corrupted by a belief in the goodness of the natural man. The graver wrongs of his age—wars of ambition, the abuse of public justice, the hypocrisies, cruelties, and lethargy of the ecclesiastics, distrust of the intellectual movement, spurious ideals of life—are vigorously condemned. Rabelais loves goodness, charity, truth; he pleads for the right of manhood to a full and free development of all its powers, and if questions of original sin and divine grace trouble him little, he is full of filial gratitude to *le bon Dieu* for His gift of life, and of a world in which to live strongly should be to live joyously."

Voltaire occupies a large place in the book. His character is dissected without prejudice. "His desire for intellectual activity was a consuming passion. His love of influence, of glory, was boundless. Subject to spasms of intensest rage, capable of malignant trickery to gain his ends, jealous, mean, irreverent, mendacious, he yet had a heart open to charity, a zeal for human welfare, a loyalty to his ruling ideas, and a saving good sense founded upon his swift and clear perception of reality. . . . He believed in a God; the arrangements of the universe require a designer, the idea of God is a benefit to society; if He did not exist, He must be invented." Of Voltaire's genius we can have no doubt; we feel a little shaky, however, in accepting the Dowden certificate that he owned some sort of a heart.

Rousseau "became a great writer comparatively late in life, under the compulsion of a ruling idea which lies at the center of all his more important works. Nature has made man good and happy; society has made him evil and miserable. Are we then to return to a state of primitive savagery? No; society cannot retrograde. But in many ways we can ameliorate human life by approximating to a natural condition. . . . Having developed his destructive criticism against society as it is, Rousseau would build up. In the *Contrat Social* he would show how freedom and government may be conciliated. . . . Having resigned his individual liberty by the social pact, how may men recover that liberty? By yielding his individual rights absolutely to a self governing community of which he forms a part. The public will, expressing itself by a plurality of votes, resumes the free-will of every individual. If any person should resist the general will, he thereby sacrifices his true freedom, and he must be 'forced to be free.' Thus the dogma of the sovereignty of the people is formulated by Rousseau." After sketching the *Nouvelle Héloise* and its doctrines of domestic reform, the author closes by saying, "the influence of Rousseau cannot easily be overestimated. He restored the sentiment of religion in an age of abstract deism or turbid materialism. He inaugurated a moral reform. He tyrannized over France in the person of his disciple, Robespierre. He emancipated the passions from the domination of the understanding. He liberated the imagination. He caught the harmonies of external nature and gave them a new interpretation. He restored to French prose color, warmth, and the large utterance which it had lost. He created a literature in which all that is intimate, personal, lyrical asserted its rights, and urged extravagant claims. He overthrew the classical ideal of art, and enthroned the *ego* in its room."

Victor Hugo is elaborately studied. Professor Dowden holds that he was not only the greatest lyric poet of France but perhaps of all literature. But "his character was less eminent than his genius. . . . He was to himself the hero of a Hugo legend and did not perceive when the sublime became the ridiculous. . . . His intellect, the lesser faculty, was absorbed by his imagination. Vacuous generalities, clothed in magnificent rhetoric, could pass with him for ideas, but his visions were sometimes thoughts in images. . . . '*Les Miserables*' is rather the chaos of a prose epic than a novel. . . . a vast invention, beautiful, incredible, sublime, absurd, absorbing in its interest, a nightmare in its tedium."

How much better than a dry "history" this charming Dowden-talk is. The print is large and clear, and "honour" is spelt as he wrote it, with the u.

A Study of a Famous Battle.

The Battle of Franklin, Tennessee A Monograph. By JACOB D. COX. Late Major General Commanding Twenty-third Army Corps. With maps. New York: Chas. Scribner's Sons. $2.

To wars and rumors of wars modern civilization has added a new terror, book-echoes of battles. Surviving warriors delight to fight their conflicts over again, with more merciful weapons, ink-pots for mortars, pens for swords, epithets for shells and innuendoes for bullets. And truly the pen occasionally does more telling execution than some of their swords did. The soldier is supposed to do and not to talk about what he intended to do or thought he had done. He is expected so to carve his name on the field of glory that no commentary shall be needed to make it plain. In the days of old this was possible, but they were the days before reading and writing came into fashion. The nation's ignorance was its hero's bliss, if not the very making of him. Suppose the officers of Alexander and Cæsar had been Lew Wallaces and the battlefield exploits of the heroes of history had been chronicled by kodaks, but the thought is too painful to dwell on. Later conquerors so feared the might of the faithful pen that they muzzled it for a safe period. On the other hand history is the gainer by these supplementary contributions from participants in the making of war history. The present volume appears to civilian eyes a notable addition to the best of our war chronicles. The battle of Franklin was fought on November 30, 1864. This book about it, written by the soldier whose share in it entitles him to special attention, appears after a thirty-four years' interval. It is important to get at his point of view and motive. This cannot be more concisely stated than in the author's own words. He says "that the battle of Franklin was a hard-fought and bloody combat is now generally known, but this of itself would not warrant a monograph giving with some fulness of detail the progress and incidents of the fight. . . . When, however, a battle proves to be a turning point in a decisive campaign, when it justifies the strategy of such a leader as Sherman in his division of his forces in Georgia and making the March to the Sea, when in addition to this it may fairly be said to be a crucial experiment in the problem of attack and defence of fieldworks in an open country, we can hardly place a limit to the desirability of detailed knowledge. . . . But besides these claims upon historical attention it was for a long time greatly misunderstood, and controversies of all sorts grew out of it, and the campaign of which it was a part. For thirty years the author has been frequently urged by his comrades to accept the task of writing the story of the battle." He had told the story of the March to the Sea in another book, and now that the government's official records of the Union and Confederate Armies are near completion, he has taken the task in hand. The result is this well got-up book, of which the first three chapters detail the preliminaries, chapters IV to XIV give particulars of the actual struggle, and the others (there are in twenty-one in all), discuss the battle in all its aspects and the controversies that grew out of it. In the appendix are given Gen. Schofield's report, and those of Generals Cox, Wood and Stanley, with separate statements by Cols. Dow and Theo. Cox.

The recently published book by Gen. Schofield, "Forty-six Years in the Army," is under sharp criticism for its free utterances, more or less deprecatory, respecting the military abilities and acts of Generals Grant, Sherman, Thomas and others. Schofield was commander in the field prior to the battle of Franklin, the author being Brigadier General commanding a Division. In his opening chapter, Gen. Cox pays a high tribute to his superior for "his courage, his confidence and his full comprehension and command of the situation." Also for Schofield's reasonableness in allowing his subordinates a reasonable discretion in action, while imperative in his decisions. Hood's army is proven to have numbered about 43,000 of all arms. The forces under Schofield are put at 29,234. But of the Confederate host not more than from 23,000 to 24,000 were engaged in the assault. Gen. Cox adduces official records for these statements, and for placing Hood's losses at 1,750 buried on the field, 3,800 in hospitals in Franklin, and 702 prisoners; total, 6,252 put out of the fight, with six officers killed and six wounded. Schofield's losses were: 189 killed, 1,033 wounded, 1,104 missing; total, 2,326. Into the military criticisms upon Gen. Wagner, Gen. Stanley and others, we do not enter. They involve personal differences, interesting chiefly to those concerned in the battle and close students of the war. In support of his own position the author states that, when writing his other histories, Generals Sherman and Schofield "scrupulously refrained from pressing upon me their own views of the campaigns, and strictly

limited their assistance to furnishing me with copies of papers, maps and documents." They would not see his books until they were in print, and then "I was happy to find that they both regarded the narrative as authentic and authoritative." The author's own report of the Battle of Franklin, Appendix B, dated January 10, 1865, and quoted from the Official Records, fills twelve pages and is graphic reading. The report of Gen. Stanley, who was wounded during the fight, concludes thus: "Although Brig. Gen. J. D. Cox was not in my command, he was my close neighbor in the battle, and I take this opportunity to express to him my thanks for his gallant help at that time." Col. Theo. Cox's statement says, "after making my report and delivering your message to Gen. Schofield, he said to me in the presence of all there, 'Go back and tell Gen. Cox that he has won a glorious victory, and however much his suggestions weigh with me, my orders from Gen. Thomas are to fall back to Nashville as speedily as possible and it must be done. Therefore, as soon as the enemy withdraws sufficiently and Gen. Cox thinks it safe, tell him to put the whole command in motion and cross the river." Gen. Schofield's report, Appendix A, dated December 7, 1864, includes this passage: "Brigadier Gen. J. D. Cox, commanding temporarily the Twenty-third Corps, deserves a very large share of credit for the brilliant victory at Franklin. The troops were placed in position and intrenched under his immediate direction and the greater portion of the line engaged was under his command during the battle. I recommend Gen. Cox to the special consideration of the government." With these indisputable testimonies to the author's competency the study of his book must prove most instructive to the military reader, who gets a view of the successful strategy in one of the fiercest battles of the Civil War, not from the outside but as described scientifically by a chief actor in the tragedy. The lay reader, whose interest is chiefly in human nature, will find much to edify and something to amuse him in the little jealousies of great fighters.

BRIEFER NOTICES.

From September to June with Nature. By MINETTA L. WARREN. Illustrated. Boston: D. C. Heath & Co.

As the new supersedes the old, as knowledge increases and with it the ken of both eye and mind, so do old methods give way to new. In no direction has this evolution and development been greater or marked by more rapid advance than in the method of teaching. It has not been so very long since teaching the young took the direction of making the pupil a mere automatic machine; since the master bent every effort not to develop the scholar, but seemingly to destroy as far as possible his individuality, to suppress the free use of his mind. Fortunately, the unwisdom of this method has been recognized and radical change made. With the advance have come the means of sustaining and furthering it—books for learners of every age, from the kindergarten up. We cannot say more of this little book, prepared for the younger children, than that it admirably fulfills its purpose, which is "not to give information alone, or tell the child what he can find out for himself; but to arouse his interest, to excite his curiosity, and, in so doing, to lead him to habits of observation and reflection." The book is so common sense throughout and keeps so strictly within the bounds of fact, that it is the more unfortunate that there should have slipped into it such a ridiculous statement as that made in explaining that unripe cherries are green so that they shall escape notice and so not be eaten by robins.

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Author's Readings. Compiled and illustrated by A. Young. New York: Frederick A. Stokes Co. $1 25.

A few years ago certain writers, among whom were the late G. W. Curtis and J. R. Lowell, were induced to give public readings from their books for some philanthropic object. Charity covers a multitude of sins, including the obtrusion of inexperience platform performers upon the public. The entertainment was rather dismal and it did not "catch on." There appears to have been a similar venture by minor writers eager to court popularity. This nicely got-up volume contains short pieces recited by them to scattered audiences as individuals, not as a performing troupe. Their names are Riley, Nye, Field, Ella W. Wilcox, H. Garland, Mary H. Catherwood, W. Carleton, "M. Quad," and Opie Read. The compiler has occupied the margins with his sketches of these celebrities in their favorite reciting

attitudes, and if they are charmed with the result we have no criticism to offer, neither on the pieces, the page pictures, the portraits, nor the precious autographs.

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A Girl's Ideal. By LUCY C. LILLIE. Philadelphia; Henry T. Coates & Co.

Mrs. Lillie is the author of several novels of quality. The present story is one of New York life, giving a realistic picture of the vicissitudes that may befall many a girl as good, high spirited, and interesting as the heroine. The narrative never halts, it may rather be said to gallop briskly through the book of four hundred pages, divided into no fewer than ninety-five chapters. Its plot is sufficiently mysterious to pique the reader's curiosity till near the end of the book. The story is wholesome throughout, shows ample knowledge of the world's ways, and is calculated to give young women a salutary lesson in a pleasanter form than if first learnt experimentally.

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The Publishers' Weekly. Annual Summary Number. 59 Duane street, New York.

Though this comes as an ordinary issue of the organ of the American book trade, it richly deserves special mention in the interests of all who buy and read current literature. This will be proven by a glance at the contents; an index to the books of 1897, made up from the year's weekly issues. Editorial survey of the literature of the year, with statistics. This is a classified review of the more notable new books, written discriminatingly, covering some fifteen pages. Articles showing the production of books in England and France during last year. Articles giving auction prices at the book sales in New York and London. The usual trade information follows, and the goodly list of advertisements gives the extra value of a catalogue and directory to the literary contents. The summary number is a success, of which the *Weekly* and the trade may be proud.

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The Bibelot. Portland, Me.: Thos. B. Mosher.

The February number of this elegant little pamphlet series contains translations by various hands of some songs by Verlaine.

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The Philistine. East Aurora, N. Y.: Elbert Hubbard.

The mouth-organ of the noble Society of Philistines plays more sweetly than ever in the current issue. Its whimsicalities are all so good, so bad, so illuminating, so blinding by dazzle, so everything anyway, that the only distinct impression left after enjoying its concerto in P sharp is that it deserves a full dress review and shall get it when next Aurora arises a roarer in the East.

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Der Zerbrochene Krug. By HEINRICH ZSCHOKKE. Boston: D. C Heath & Co. Modern Language Series. 25 cents.

Prof. E. S. Joynes, of South Carolina College, has prefaced this unimportant little story with an interesting account of its singularly gifted author.

BOOK ANNOUNCEMENTS.

CHARLES SCRIBNER'S SONS will publish shortly a novel by the Rev. Cyrus Townsend Brady, of Philadelphia, who is also Archdeacon of Pennsylvania in the Protestant Episcopal Church. Its title is "For Love of Country." The author is an active worker in social reform and his book will be a welcome addition to the notable recent works by Philadelphians.

HOUGHTON, MIFFLIN & CO. announce the final volume of the late Prof. Child's famous work on English and Scottish Ballads. It will have a portrait, and a biographical sketch by Prof. Kittredge of Harvard. The same house is about to issue a popular book, "Birds of Village and Field," by Florence A Merriam, who designs it especially for the help of beginners in bird study, and includes in it a very large number of illustrations, together with color-keys for the identification of birds.

D. APPLETON & CO. are issuing a supplementary book by Herbert Spencer, "Various Fragments," which includes replies to some of his abler critics, including Huxley. A new edition of Edmond Kelly's "Evolution and Effort," will represent the philosophical treatment of civil government as distinguished from the purely practical presentation. It analyzes the causes leading to the results of the last New York election, and discusses the coming developments of the present Tammany administration.

PUBLICATIONS RECEIVED.

EVOLUTIONAL ETHICS AND ANIMAL PSYCHOLOGY. By E. P. Evans. Pp. 386. New York: D. Appleton & Co. $1.50.

PUNCTUATION, With Chapters on Hyphenization, Capitalization and Spelling. By F. Horace Teall. Pp. 193. New York: D. Appleton & Co.

ON THE WINNING SIDE. A Southern story of ante-bellum times. By Jeannette H. Walworth. Pp. 287. New York: R. F. Fenno & Co. $1.25.

FROM SEPTEMBER TO JUNE WITH NATURE. By Minetta L. Warren. Pp. 184. Illustrated. Boston: D. C. Heath & Co.

WHAT IS GOOD MUSIC? Suggestions to persons desiring to cultivate a taste in musical art. By W. J. Henderson. Pp. 205. New York: Charles Scribner's Sons. $1.